



**The Voice of Small Business**

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**Testimony regarding Senate Bill 957  
House Committee on Tax Policy  
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My name is Keith Carey and I am the Small Business Lobbyist/Advocate for the National Federation of Independent Business/Michigan. We provide legislative advocacy for over 20,000 small businesses and their employees.

We appear before you today in support to Senate Bill 957. Senate Bill 957 reduces the alternative tax rate qualifying small businesses may elect use in calculating Single Business Tax liability.

Topping NFIB/Michigan's recently released *2006 Legislative Agenda* is the reduction of this alternative tax rate. By cutting the alternative tax rate in half to 1.0 percent as Senate Bill 957 does, policymakers can reduce taxes for nearly 30,000 Michigan small businesses without raising taxes on others. NFIB/Michigan strongly supports this effort to give small business an important tool to create jobs and bring Michigan back to economic prosperity.

For those who may argue this estimated \$30 million tax cut represents budget-busting tax relief, we submit that the Wednesday, January 11, 2006 MIRS Capitol Capsule reported that "newly negotiated state employees contracts will cost the state an extra \$45 million. State employee health insurance increases will mean \$40 million more and retirement cost issues have a \$40 million price tag. The increase in the state's bond debt service is \$50 million and the debt taken on through the tobacco securitization plan is another \$40 million." We remain perplexed that those who claim a small business tax cut is currently unaffordable have not raised the same concerns regarding the above expenditures. Further, we submit that small business tax cuts are not unaffordable; rather Michigan cannot afford to NOT extend tax relief to the small businesses who remain the backbone of our state's economy.

Therefore, on behalf of our over 20,000 members, we request you support Senate Bill 957. Thank you for your support of small business.